



Unleaded & Diesel Bulk Fuel, including Ethanol and Bio-Diesel  
Executive Summary

**Lead Agency:** City of Fort Worth, TX  
**RFP Issued:** April 16, 2009  
**Date Open:** May 28, 2009

**Solicitation:** RFP 09-0012  
**Pre-Proposal Date:** May 4, 2009  
**Proposals Received:** 7

**Awarded to:**  and 

The City of Fort Worth, TX Purchasing Division issued RFP 09-0012 on April 16, 2009 to establish a national cooperative contract for bulk motor fuels including unleaded, diesel, bio-diesel and ethanol.

Notice of the solicitation was sent to approximately 32 potential offerors, and advertised in the following:

- Fort Worth Star-Telegram
- Onvia DemandStar
- National IPA website

On May 28, 2009, proposals were received from the following offerors:

- Arrow Energy, Inc.
- Falcon Fuels, Inc.
- Martin Eagle Oil Company, Inc.
- Petroleum Traders Corporation
- RKA Petroleum Companies, Inc.
- Southern Counties Oil Company, dba SC Fuels
- Truman Arnold Companies (TACenergy)

The proposals were evaluated by an evaluation committee. Using the evaluation criteria established in the RFP, the committee invited the following firms to participate in an interview:

- Falcon Fuels, Inc.
- Martin Eagle Oil Company, Inc.
- Petroleum Traders Corporation
- RKA Petroleum Companies, Inc.
- Truman Arnold Companies (TACenergy)

Falcon Fuels was invited to interview; however, chose to withdraw their proposal from consideration on August 6, 2009. Following the interviews with the remaining four firms, requests for revised offer were sent to each.

The committee evaluated the revised offers, interviews and the relative strengths and weaknesses of each proposal with regard to the evaluation criteria stated in the RFP. As a result, the committee recommended entering negotiations with the intent to award a contract to the top ranked offerors:

- Martin Eagle (for State of Texas only)
- Truman Arnold Companies (for service nationwide)

The City of Fort Worth, National IPA and the offerors successfully negotiated contracts and the City of Fort Worth executed contracts with both Martin Eagle and Truman Arnold Companies on November 10, 2009 upon approval by City of Fort Worth Council with a contract effective November 10, 2009.



Contract includes: Unleaded (all octane levels) and diesel (all grades) bulk fuel, including ethanol and bio-diesel blends

**Term:**

Initial one year agreement from November 10, 2009 through November 9, 2010, with option to renew for four (4) additional one-year periods through November 9, 2014.

**Pricing/Discount:**

Fuel procurement is extremely difficult to manage and control. Usage is not easily reduced, particularly in public safety and utilities departments, and prices are established via commodity markets with inherent volatility. The City of Fort Worth, TX cooperative agreement allows agencies to effectively manage fuel costs by establishing a verifiable price structure.

The pricing structure is based on the Oil Price Information Service (OPIS) Daily Published Benchmark for each location. OPIS is the world's most widely accepted fuel price benchmark for supply contracts and establishes a verifiable baseline price per gallon based on the date of delivery.

Fuel prices offered through the agreement are based on the lowest unbranded published price in each market on the date of delivery, plus the applicable differential per terminal city. Freight charges from the terminal to the set destination will be included. Fuel price may be calculated based on the following formula:

Benchmark Index  
± Market Differential\*  
+ Freight (direct pass-through cost from supplier)  
+ Taxes (if applicable)  
= Delivered Price

\*The Market Differential is the mark-up added to or subtracted from the benchmark index for a given fuel product, at a given delivery size and are specific to a supplier for a given fuel product in a given Rack City.

Agencies now realize convenience and savings on bulk fuel purchases, as well as efficiency gains through elimination of numerous individual fuel contract bids.

### **Comprehensive Analysis**

Due to the many factors affecting motor fuel pricing (including daily commodity pricing fluctuations, multiple industry pricing benchmarks, and varying fuel products available in each market) an accurate analysis of the national program involves many dynamic variables. TACenergy and Martin Eagle can help provide an analysis specific for your agency for your unleaded and diesel requirements.

You will be asked to provide copies of recent invoices for each fuel product purchased (including freight and taxes), along with the pricing benchmark and related mark-up being used to price your current fuel purchases. A historical analysis will be completed comparing your current program to the fuel contract available through National IPA. Spot-checking pricing for individual days is not recommended due to averages, daily volatility, historical trends in each Rack City and other factors.

For assistance with analysis of the award, please contact:

(Texas agencies)

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(All other agencies)

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